Why GAO Did This Study

The federal government reportedly plans to spend at least $82 billion on IT in fiscal year 2014. Given the scale of such planned outlays and the criticality of many of these systems to the health, economy, and security of the nation, it is important that OMB and federal agencies provide appropriate oversight and transparency into these programs and avoid duplicative investments, whenever possible, to ensure the most efficient use of resources.

GAO has previously reported and testified that federal IT projects too frequently fail and incur cost overruns and schedule slippages while contributing little to mission-related outcomes. Numerous best practices and administration initiatives are available for agencies that can help them improve the oversight and management of IT investments.

GAO is testifying today on the results and recommendations from selected reports that focused on how federal IT reform efforts could be improved by more effective IT acquisition and more efficient management of existing IT systems.

What GAO Recommends

GAO has previously made numerous recommendations to OMB and federal agencies on key aspects of IT management, including the IT Dashboard, incremental development approaches, and PortfolioStat implementation, including software license management.

What GAO Found

GAO has issued a number of reports on the federal government’s efforts to efficiently acquire and manage information technology (IT). While the Office of Management and Budget (OMB) and agencies have taken steps to improve federal IT through a number of initiatives, additional actions are needed. For example, OMB’s IT Dashboard provides information, including ratings of risk, on 759 major investments at 27 federal agencies. As of June 2014, according to the Dashboard, 576 investments were low or moderately low risk, 147 were medium risk, and 36 were moderately high or high risk. GAO has issued a series of reports on Dashboard accuracy and identified issues with the accuracy and reliability of cost and schedule data. Furthermore, a recent GAO report found that agencies had removed major investments from the Dashboard, representing a troubling trend toward decreased transparency. GAO also reported that, as of December 2013, the public version of the Dashboard was not updated for 15 of the previous 24 months. GAO made recommendations to ensure that the Dashboard includes all major IT investments and to increase its availability.

An additional key reform initiated by OMB emphasizes incremental development in order to reduce investment risk. In 2010 it called for agency investments to deliver functionality every 12 months and since 2012 has required investments to deliver functionality every 6 months. However, GAO recently reported that almost three-quarters of investments reviewed did not plan to deliver capabilities every 6 months and less than half planned to deliver capabilities in 12-month cycles.

GAO recommended that OMB develop and issue clearer guidance on incremental development and that selected agencies update and implement their associated policies. Most agencies agreed with GAO recommendations or had no comment. GAO continued to believe that its recommendations were valid.

To better manage existing IT systems, OMB launched the PortfolioStat initiative, which, among other things, requires agencies to conduct annual reviews of their IT portfolio and make decisions on eliminating duplication. GAO reported that agencies continued to identify duplicative spending as part of PortfolioStat and that this initiative had the potential to save at least $5.8 billion through fiscal year 2015, but that weaknesses existed in agencies’ implementation of the initiative, such as limitations in the Chief Information Officer’s authority. Among other things, GAO made several recommendations to improve agencies’ implementation of PortfolioStat requirements. OMB partially agreed with GAO’s recommendations and responses from 20 of the agencies varied.

GAO also recently reported on software license management—one PortfolioStat focus area—and determined that better management was needed to achieve significant savings government-wide. In particular, 22 of the 24 major federal agencies did not have comprehensive license policies. GAO recommended that OMB issue needed guidance to agencies and made more than 130 recommendations to the agencies to improve their policies and practices for managing licenses. OMB disagreed with the need for guidance. However, without it the management of agencies’ licenses may be weakened. Most agencies generally agreed with the recommendations or had no comments.